

Cablefax Daily™

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What the Industry Reads First

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CES Day 3: Industry Outlook on 4K, Virtual Reality, Online Platforms

2017 might be the year the industry finally overcomes the chicken-and-egg dilemma of 4K. And HDR (high dynamic range) technology is expected to be *the* TV feature that defines the year, according to panelists at a CES session Fri. **Amazon**, one of the first early adopters of 4K/HDR technology, saw a dramatic increase in the viewing of such content last year, said *BA Winston*, global head of video playback and delivery at Amazon Video. Most of Amazon's original content is being produced in 4K/HDR. While 4K has been the bigger buzzword, HDR is quickly gaining traction thanks to the value proposition it brings to consumers, said *Paul Gagnon*, director of TV sets research at **IHS**. He credited HDR's ability to display a richer range of colors that gives the TV picture a more dynamic look, significantly enhancing the overall viewing experience [*Cablefax will host a webinar explaining how HDR could fuel 4K strategy this year on Feb. 7. More info at cablefax.com*]. The difference between HDR/4K and HD is obvious. "Once you see the effectiveness it delivers, you don't want to go back to HD," said *Florian Friedrich*, managing director for **AVTOP**, which provides consumer electronics testing and certification services. One of the biggest challenges to expand 4K/HDR adoption is consumer education. "You need to educate them on why they should pay a premium for the technology," Gagnon said, urging companies to include consumer education as a key part of the marketing campaign for 4K/HDR. Another challenge is the lack of standards. The pace of innovation and the competitive pressure means often times technology is introduced without proper standards and benchmarks, Gagnon said. That is the case for 4K/HDR, though groups like the **UHD Alliance** are working on the issue. The growth of content being produced in 4K, especially sports, is driving adoption, said *Michael Davies*, svp of field and technical operations at **Fox Sports**. "We like 4K, especially HDR, very much," he said, noting much of today's equipment, including cameras and trucks, are 4K ready. "That's our strategy now: To be 4K ready." Fox Sports already has started testing 8K, and plans to have 8K cameras at the Super Bowl, Davies said. Speaking of sports, **Turner** pres *David Levy* expects virtual reality to take off, especially in sports programming. The programmer, which delivered the NBA All Star game in VR last year, will continue to experiment, he said in a separate session that also featured *Shaquille O'Neal*, currently member of **TNT's** "Inside the NBA" studio show. And he offered some hope for programmers in general. Despite the competition from new players and changes in viewing behavior, "I think we are going to be OK," Levy said. The strat-



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"IT'S SUPER, SUPER, SUPER FUNNY"

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- LA TIMES

"THE RETURN OF SCHITT'S CREEK
IS SO WELCOME"

- VANITY FAIR

"A COMEDY GOLD CAST"

- PEOPLE



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egy is to “own your own content” and sell it overseas and to SVOD providers and other players. “There are a lot of revenue opportunities... People still want to watch premium, quality content. We just have to be on different platforms,” he said. Those platforms include **Snapchat**, with which Turner inked a deal last year to create original content for the platform. “Our philosophy is simple: We want to bring content to consumers on all the platforms, and we see Snapchat as part of that,” Levy said. The expansion of skinny video bundles and virtual MVPDs isn’t affecting Turner because Turner brands are “probably in every virtual MVPD package out there,” Levy said. When it comes to cord-cutting, the exec isn’t worried about cord-shavers and cord-cutters. “I am more worried about cord-nevers,” who grow up not having pay-TV subscription, he said, adding that’s why it’s important to have brands such as **refinery29** and **Mashable** that reach that audience.

Cable One Goes to FCC with Retrans Spat: Cable One alerted the **FCC** Media Bureau to its retrans dispute with **Northwest Broadcasting**, which has resulted in subscribers in the Grenada and Cleveland, MS, DMA losing the Big Four network affiliates. Cable One told Bureau chief *Bill Lake* that Northwest gained control of the DMA by “gaming the FCC media ownership rules,” warning that subs in that area are unable to receive any major network live local news, weather and emergency alert programming whatsoever. “The egregiousness of this situation has been created by the fact that Northwest has captured control of all four major network affiliate feeds in the Greenwood-Greenville DMA, and is using the market power that comes with such aggregation to demand rates that are grossly out of line with what Cable One and other medium and small cable operators are paying for retransmission consent in similar non-major media markets. Even worse is Northwest’s opportunistic leveraging of the situation in Mississippi to also attempt to also extract supra-competitive rates for carriage of its stations in Idaho.” The letter does not ask for FCC intervention, with the MSO saying it is prepared to work in good faith with Northwest and will keep the FCC informed on developments.

Wheeler’s Farewell: Need one last dose of **FCC** chairman *Tom Wheeler*? Check out his address to **The Aspen Institute** Fri, Jan 13. He’ll reflect on lessons learned during his tenure and what he sees as the path ahead for US broadband policy.

Hill Appointments: Rep *Marsha Blackburn* (R-TN) is the new chair of the **House Communications** subcmte. She’s been very active in cable issues over the years, most recently voicing sharp criticism over **FCC** chair *Tom Wheeler*’s set-top box proposal. She’s also not a fan of Title II regulation, likening Wheeler to the “regulatory bull in the china shop” at a conference last year. Rep *Joe Barton* (R-TX), who chaired the Commerce committee from 2004-2007, was named vice chair of Commerce for the 115th Congress. While many media industries go through Commerce, it’s got a pretty full agenda with it serving as one of two House committees set to work on the repeal and replacement of the Affordable Care Act. Meanwhile, the US Senate officially ratified Sen *John Thune* (R-SD) to serve again as chair of Senate Commerce for the new Congress. *Bill Nelson* (D-FL) will continue as Ranking Member.

WICT Luncheon: Improving workplace diversity was front and center at **WICT’s** Touchstone Luncheon, which made its **CES** debut Fri. The luncheon, hosted by **E! News** co-host *Catt Sadler*, featured speakers including **HSNi** CEO *Mindy Grossman*, *Sandra Rice*, svp of national recruitment and leadership development for the **Emma L. Bowen Foundation**, *Claire Smith*, coordinating editor at **ESPN** and first female recipient of the J.G. Taylor Spink Award (top honor for a baseball journalist) and *David Cohen*, sevp at **Comcast**. Diversity has to be “part of the entire culture of the company... It has to be part of every strategy... It has to come from the top,” said Grossman. And it takes more than just women, she said. It also means identifying “what we can do to create actionable plans and accountability and talk about why it’s important” to foster diversity. While cable has made great progress, Cohen said there’s still work to be done. “After all, we are now competing with tech giants” like **Apple**, **Facebook** and **Google**, he said. Diversity will help the industry stay ahead of the innovation curve, he said, noting the percentage of female execs in cable (32%) is higher than Silicon Valley (28%).

AT&T-TWX: **Time Warner** plans to hold a stockholder vote on Feb 15 on the proposed **AT&T** merger agreement. Time Warner currently doesn’t expect to transfer any of its **FCC** licenses to AT&T, according to an **SEC** filing. If that’s the case, the deal would likely not need FCC merger review.

People: **A+E Nets** promoted *Ellen Lovely* to vp, head of sales for Americas and Formats. She will jointly report to *Edward Sabin*, exec managing director, International; and *Joel Denton*, managing director, International Content Sales. She was already overseeing content sales to Canada and the US, as well as Global Format, with her new role giving her oversight of Latin America and the US Hispanic market.

Cablefax Week in Review

| Company | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|------------------------------|--------|-----------|--------------|----------|
| BROADCASTERS/DBS/MMDS | | | | |
| DISH: | DISH | 61.36 | 5.92% | 7.31% |
| ENTRAVISION: | EVC | 6.55 | (6.43%) | (15.05%) |
| GRAY TELEVISION: | GTN | 11.05 | 1.84% | (32.21%) |
| MEDIA GENERAL: | MEG | 18.56 | (1.43%) | 14.92% |
| NEXSTAR: | NXST | 61.00 | (3.63%) | 3.92% |
| SINCLAIR: | SBGI | 33.30 | (0.15%) | 2.34% |
| TEGNA: | TGNA | 21.50 | 0.51% | (15.75%) |

| Company | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|-----------|--------------|----------|
| MSOS | | | | |
| CABLE ONE: | CABO | 570.00 | (8.32%) | 31.44% |
| CABLEVISION: | CVC | 34.87 | 0.00% | 9.31% |
| CHARTER: | CHTR | 298.16 | 3.56% | 62.93% |
| COMCAST: | CMCSA | 70.27 | 1.77% | 24.53% |
| GCI: | GNCMA | 20.39 | 4.83% | 25.17% |
| LIBERTY BROADBAND: | LBRDA | 74.19 | 2.39% | 43.64% |
| LIBERTY GLOBAL: | LBTYA | 33.34 | 8.99% | (21.29%) |
| SHAW COMM: | SJR | 20.61 | 2.74% | 19.90% |
| SHENTEL: | SHEN | 29.15 | 6.78% | (32.29%) |

| Company | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|-----------|--------------|----------|
| PROGRAMMING | | | | |
| 21ST CENTURY FOX: | FOXA | 29.52 | 5.28% | 8.69% |
| AMC NETWORKS: | AMCX | 55.27 | 5.60% | (25.99%) |
| CBS: | CBS | 64.29 | 1.05% | 36.41% |
| DISCOVERY: | DISCA | 27.48 | 0.26% | 3.00% |
| DISNEY: | DIS | 108.98 | 4.57% | 3.71% |
| GRUPO TELEVISIVA: | TV | 21.14 | 1.20% | (22.31%) |
| HSN: | HSNI | 33.45 | (2.48%) | (33.98%) |
| LIONSGATE: | LGF | 26.09 | 0.00% | (19.45%) |
| MSG NETWORKS: | MSGN | 22.95 | 6.74% | 10.34% |
| SCRIPPS INT: | SNI | 74.38 | 4.22% | 34.72% |
| TIME WARNER: | TWX | 94.75 | (1.84%) | 46.51% |
| VIACOM: | VIA | 41.25 | 7.14% | (6.23%) |
| WWE: | WWE | 18.46 | 0.33% | 3.48% |

| Company | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|-----------|--------------|----------|
| TECHNOLOGY | | | | |
| ADVANTAGE: | AEY | 1.74 | (1.71%) | (3.88%) |
| AMDOCS: | DOX | 58.96 | 1.22% | 8.04% |
| AMPHENOL: | APH | 68.08 | 1.31% | 30.35% |
| APPLE: | AAPL | 117.91 | 1.80% | 12.02% |
| ARRIS GROUP: | ARRS | 30.67 | 1.79% | 0.33% |
| AVID TECH: | AVID | 4.55 | 3.41% | (37.59%) |
| BLNDER TONGUE: | BDR | 0.55 | 17.02% | 37.50% |
| CISCO: | CSCO | 30.23 | 0.03% | 11.30% |
| COMMSCOPE: | COMM | 36.98 | (0.59%) | 42.84% |
| CONCURRENT: | CCUR | 5.54 | 3.55% | 11.92% |
| CONVERGYS: | CVG | 25.71 | 4.68% | 3.29% |
| CSG SYSTEMS: | CSGS | 50.04 | 3.39% | 39.08% |
| ECHOSTAR: | SATS | 50.92 | (0.91%) | 30.20% |
| GOOGLE: | GOOG | 806.15 | 4.45% | 6.23% |
| HARMONIC: | HLIT | 4.95 | (1%) | 21.62% |
| INTEL: | INTC | 36.48 | 0.58% | 5.89% |
| INTERACTIVE CORP: | IAC | 69.65 | 7.50% | 15.99% |
| LEVEL 3: | LVLT | 58.70 | 4.15% | 7.98% |
| MICROSOFT: | MSFT | 62.84 | 1.13% | 13.27% |
| NETFLIX: | NFLX | 131.07 | 5.87% | 14.59% |
| NIELSEN: | NLSN | 42.51 | 1.33% | (8.78%) |
| SEACHANGE: | SEAC | 2.47 | 7.39% | (63.35%) |

| Company | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|-----------------|--------|-----------|--------------|----------|
| SONY: | SNE | 28.96 | 3.32% | 17.68% |
| SPRINT NEXTEL: | S | 8.69 | 3.21% | 140.06% |
| SYNACOR: | SYNC | 3.15 | 1.61% | 80.00% |
| UNIVERSAL ELEC: | UEIC | 66.60 | 3.18% | 29.70% |
| VONAGE: | VG | 7.36 | 7.45% | 28.22% |
| YAHOO: | YHOO | 41.23 | 6.62% | 23.96% |

| Company | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|---------------|--------|-----------|--------------|----------|
| TELCOS | | | | |
| AT&T: | T | 41.32 | (2.85%) | 20.08% |
| CENTURYLINK: | CTL | 25.38 | 6.73% | 0.87% |
| FRONTIER: | FTR | 3.75 | 10.95% | (19.7%) |
| TDS: | TDS | 30.77 | 6.58% | 18.85% |
| VERIZON: | VZ | 53.26 | (0.22%) | 15.23% |

| Index | Ticker | 1/6 Close | 1-Week % Chg | YTD %Chg |
|-----------------------|--------|-----------|--------------|----------|
| MARKET INDICES | | | | |
| DOW: | DJI | 19963.80 | 1.02% | 14.57% |
| NASDAQ: | IXIC | 5521.06 | 2.56% | 10.26% |
| S&P 500: | GSPC | 2276.98 | 1.70% | 11.40% |

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

| COMPANY | CLOSE | 1-WK CH |
|----------------------|-------|---------|
| 1. BLNDER TONGUE: | 0.55 | 17.02% |
| 2. FRONTIER: | 3.75 | 10.95% |
| 3. LIBERTY GLOBAL: | 33.34 | 8.99% |
| 4. INTERACTIVE CORP: | 69.65 | 7.50% |
| 5. VONAGE: | 7.36 | 7.45% |

THIS WEEK'S STOCK PRICE LOSERS

| COMPANY | CLOSE | 1-WK CH |
|-----------------|--------|---------|
| 1. CABLE ONE: | 570.00 | (8.32%) |
| 2. ENTRAVISION: | 6.55 | (6.43%) |
| 3. NEXSTAR: | 61.00 | (3.63%) |
| 4. AT&T: | 41.32 | (2.85%) |
| 5. HSN: | 33.45 | (2.48%) |

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